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Summary record of the 57th meeting
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Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

Development Account (*continued*) (A/53/374/Add.1 and A/53/945)

1. **Mr. Connor** (Under-Secretary-General for Management), introducing the report of the Secretary-General on the Development Account: modalities for operating the Account (A/53/945), said that the report addressed a number of issues raised at previous meetings of the Committee, including the timing of the identification of productivity gains and the spending of the resources thus released before the programme budget appropriation lapsed. It recommended for that purpose the creation of a special multi-year account for supplementary development activities, into which funds from the regular budget section could be transferred.

2. The process would have three distinct elements. The first element was the identification and transfer of gains from the various budget sections to section 34 (Development Account). In order to address the concern that gains should be identified only when they were certain, the report recommended that that process should take place at the second performance report stage. The second element was the operation of the Development Account budget section. Gains from previous years included in the initial appropriation would be transferred to the special account at the beginning of the biennium, while productivity gains transferred to the Development Account budget section at the end of the biennium would be transferred immediately to the special account. Thus, the balance in section 34 would normally be zero, since, as soon as funds became available, they would be transferred to the special account. The third element was the operation of the special account. Funds would remain in the account until such time as they were expended on projects approved by the General Assembly. The report recommended that the timetable for submission of project proposals should be similar to that for the regular budget, and that the proposals should be considered by the same intergovernmental bodies.

3. **Mr. Civili** (Assistant Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1), said that the report had been prepared pursuant to General Assembly resolution 53/220 of 7 April 1999, in which the General Assembly had approved four of the eight proposals made for the use of the development dividend in the original report of the Secretary-General (A/53/374), namely proposals A, B, D, and E; requested the reformulation of the remaining proposals, C, F, G and H, in accordance with certain criteria; and further requested the redrafting of all the proposals to ensure compatibility with the relevant Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME rules), as revised in General Assembly resolution 53/207.

4. With regard to proposal C, he said that the project, which had been recommended by the United Nations Environment Programme (UNEP) and involved extending the access of developing countries and countries with economies in transition to the Mercure satellite telecommunication system, was being reviewed by UNEP in the light of the recommendations by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning the expenditure of regular budget funds to support extrabudgetary projects, and would be resubmitted at a later date. Proposal F had been reformulated to address the concern that capacity-building at the Headquarters level did not have the same multiplier effects as decentralized initiatives. The revised proposal envisaged the development of an on-line network of regional institutions for capacity-building in public administration and finance in place of the Headquarters-based on-line development centre originally proposed. The focus of proposal G, Research network for development policy analysis, had shifted to the training of researchers from developing countries in macroeconomic analysis; the enhancement of the capacity of institutions in developing countries; and the increased use of developing country experts to build capacity for macroeconomic analysis and forecasting. With the expansion of training-related activities, the overall cost of the project had somewhat increased. While the original proposal H had emphasized the development of indicators, the reformulated version took account of the fact that, in many developing countries, an important prior requirement was the establishment of basic statistical capacities. Other elements of the proposal included activities for the implementation of Agenda 21, the Copenhagen Declaration and Programme of Action of the World Summit for Social Development and the Beijing Declaration and Platform for Action.

5. The reformulated proposals were aimed at decentralizing activities from Headquarters to the regional and subregional levels; focusing more directly on basic capacity-building in developing countries; increasing

reliance in those countries on national expertise; and promoting the development of training materials and modules for regional and subregional participants. Those goals reflected the requirements of General Assembly resolution 53/220, paragraph 5, that projects should have multiplier effects and promote capacity-building; promote regional and interregional economic and technical cooperation among the developing countries; and use available human and technical resources from the developing regions.

6. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, while the Development Account had not been one of the issues originally before the Advisory Committee, it had met to consider the relevant reports of the Secretary-General at the request of the Fifth Committee. It had decided to submit a written report for consideration by the Fifth Committee, rather than presenting its views and recommendations on the issue orally. He anticipated that the report would be approved by the Advisory Committee on the following Monday, and would be available to delegations immediately thereafter.

7. **The Chairman** said he took it, in the light of the statement by the Chairman of the Advisory Committee, that the Committee wished to defer its consideration of the Development Account to a later date pending the receipt of the report of the Advisory Committee.

8. *It was so decided.*

9. **Mr. Küntzle** (Germany), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland and Norway, said that the European Union had consistently supported the concept of the Development Account since its introduction within the Secretary-General's reform proposals. It had agreed with the procedures for the Account as outlined by the Advisory Committee, and it had been prepared to approve the eight projects proposed in the original report of the Secretary-General on the utilization of the development dividend (A/53/374). While the General Assembly in resolution 53/220 had approved only four of the eight projects, the European Union had nevertheless joined the consensus because that decision allowed the disbursement of at least part of the resources already available in the budget, while accommodating the concerns of other delegations.

10. With regard to the reformulated proposals in document A/53/374/Add.1, he said that due regard had been given to the criteria set forth in General Assembly resolution 53/220, paragraph 5, and to the revised PPBME rules, and the European Union therefore hoped that they would be approved by the Committee without further delay, so that project implementation could begin as soon as possible. The European Union had taken note of the additional information provided in the report of the Secretary-General on the Development Account: modalities for operating the Account (A/53/945).

11. **Mr. Takahara** (Japan) said that his delegation shared the view expressed at the 55th meeting by the representative of Guyana, speaking on behalf of the Group of 77 and China, that the Committee should devote adequate time to the Development Account in order to conclude its consideration of the issue. It regretted that the relevant reports of the Secretary-General had not been submitted in sufficient time to enable the Committee to give due consideration to them and that the report of the Advisory Committee was not yet available.

12. His delegation welcomed the approval by the General Assembly in resolution 53/220 of four proposals to be financed by the resources already appropriated under the Development Account budget section and the submission by the Secretariat of reformulated proposals for the remaining projects. The early utilization of the available resources remained of particular concern to his delegation. The sustainability, mechanism and modalities of the Development Account must also be agreed upon as early as possible. His delegation considered that the aim of the Account was not to achieve budget reductions, but to enhance the efficiency with which the budget was implemented, thus releasing resources that could be used for economic and social development projects in developing countries. That exercise must be undertaken in a transparent manner. The Secretariat must consult with the General Assembly on the means of achieving greater efficiency and accept its guidance on that subject.

13. **Mr. Repasch** (United States of America), referring to the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1), said that his delegation had noted with satisfaction the reformulated proposals and welcomed, in particular, the expanded sections on expected accomplishments, which were consistent with the PPBME rules. He would like to have additional information on the modalities for the evaluation of the projects implemented with a view to providing the requisite feedback. Also, he wished to know whether the reformulated projects would be among the proposals to be considered by the Committee for Programme and Coordination in June, in accordance with the proposed timetable contained in the report of the Secretary-General on the Development

Account: modalities for operating the Account (A/53/945, annex I a).

14. **The Chairman** said that the Secretariat would reply to the questions posed when the Committee resumed its consideration of the Development Account.

The meeting rose at 10.25 a.m.